

## **EXHIBIT 1**

**,IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

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JAMIE BELOTTI and BECKY BELOTTI	:	
	:	CIVIL ACTION NO. 3:22-cv-
	:	01284-MEM
Plaintiffs,	:	
	:	(Hon. Judge Malachy E. Mannion)
vs.	:	
	:	
STATE FARM FIRE AND CASUALTY COMPANY,	:	
	:	
Defendant.	:	

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**DECLARATION OF MARK SHUMATE**

I, Mark Shumate, depose and state as follows:

1. I am over the age of 18 and I have never been convicted of a felony or crime involving moral turpitude. I have personal knowledge of the matters stated herein and if called as a witness could competently testify thereto.

2. I am employed by State Farm as a Team Manager. I make this Declaration in further support of State Farm's Motion for Summary Judgment and in opposition to Plaintiffs' Motion for Class Certification.

3. I was deposed by Plaintiffs in my individual capacity on July 27, 2023. I have become aware of certain contentions Plaintiffs have made in their Motion for Class Certification and in their Opposition to State Farm's Motion for Summary Judgment, which I address herein.

4. I understand Plaintiffs contend State Farm “systematically employs” the Xactimate estimate software’s “new construction” labor efficiency setting (“NC LES”), and never the “restoration/service/remodel” setting (“RSR LES”), for all losses over \$100,000.00. That contention is incorrect.

5. At my deposition, I testified that in my experience, the NC LES potentially “comes into play” with large losses, which I understand to typically involve losses over \$100,000. When asked what I meant by “comes into play,” I explained at pages 25-26 of my deposition transcript:

Well, because with a large loss, the claims adjuster has to make a decision on which labor efficiency setting they're going to use. And there are arguments that can be made on each claim that you can use the restoration [RSR LES] in some cases and you can use the new construction [NC LES] in some cases. But ultimately, it's up to the claims adjuster after evaluating the claim, after inspecting the claim, looking at all the photos of damage, that the claims adjuster has to make a decision which labor efficiency fits this claim the best. So you have to make a decision, are you going to use new construction, or are you going to use restoration, service, and remodel.

6. I was not asked whether State Farm systematically employs the NC LES for all losses over \$100,000. Had I been asked that question, I certainly would have answered “No,” based on my own personal experience that State Farm does not do so. As I explained, when handling a large loss, a claims adjuster “has to make a decision” whether to use the NC LES, based on his or her evaluation of the claim, an inspection of the loss, etc. NC LES comes into play with large losses, and presents the claim adjuster with this decision to make, because those are the type of

losses where I understand some or all of the labor efficiency assumptions in the NC  
LES may apply.

I declare under penalty of perjury under the laws of the United States of  
America that the foregoing is true and correct.

Dated: September \_\_, 2023

By: **Mark Shumate**  
Mark Shumate

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